



SF PETERHOUSE SMALLER COMPANIES GOLD FUND

31 December 2016 Fact Sheet

Fund Manager



Amanda van Dyke

Amanda van Dyke is a portfolio manager at Peterhouse Asset Management and mining equity and gold specialist. She has been previously with the mining teams of GMP, Pareto, and Dundee Securities, as an analyst and mining specialist sales person. She is also the Chairman of Women in Mining UK, and a member of the advisory board of Mines and Money London. She has authored numerous research reports as well as articles on the mining sector. She is a professional gemmologist, and holds an MBA and MA in International Economics, from SDA Bocconi and China Europe International Business School.



Stephen Watson

Stephen Watson is a portfolio manager at Peterhouse Asset Management running international multi-asset and equity portfolios. Previously he ran the 4* Morningstar rated international equity funds at Northern Trust with Stephen Dowds and was responsible for pan-European and Eurozone accounts at Northern Trust Global Investors. Before that he was a Director at Framlington Investment Management where he was head of European equities. Stephen has a BA Hons degree in Politics from Durham University.

Strategy and Outlook

Market Overview

2016 was a tumultuous year for gold, and in our view marked the beginning of a secular 3-5 bull market in gold. Gold Bull and Bear Markets tend to be 3-5 years, highly correlated to market cycles, inflation expectations and the performance of alternative asset classes such as bonds and the stock market. Gold went from \$1100 in January 2016 to \$1366 in July post Brexit, and unexpectedly fell post the election of Donald Trump another 8 percent to finish the year at \$1197, up 8.6% on the year. Precious metals equities measured by the GDX-NYSE and the GDXJ-NYSE (senior gold vs junior gold) were up 53.6pc and 73.4pc respectively. The SF Peterhouse smaller companies gold fund was up 88% on the year, relative outperformance to the underlying commodity can mainly be based on the multi year bear market that gold was in leading to the market being severely underweight and having to pay to play catch up.

Outlook

Outlook is net positive for gold

Portfolio Analysis

Asset Mix (%)

Canada	49.4	<div style="width: 49.4%;"></div>
UK	43.7	<div style="width: 43.7%;"></div>
Australia	5.2	<div style="width: 5.2%;"></div>
Cash	1.1	<div style="width: 1.1%;"></div>
Commitments	0.6	<div style="width: 0.6%;"></div>
US	0.0	<div style="width: 0.0%;"></div>

Top Ten Holdings (%)

Tharisa	6.3
Osisko Mining Corp	5.2
Georgian Mining Corp	4.8
Rye Patch Gold Corp	4.6
First Mining	3.9
Highland Gold Mining	3.5
Shanta Gold	3.5
Hummingbird Resources	3.4
Centamin	3.4
Endeavour Mining	3.3
Total	41.9

Total Number of Holdings 59

Fund Aim

It is the Company's policy to seek to invest at least 80% of its core investment portfolio in securities of companies which are predominantly involved in the mining, exploration, development and production of gold. Up to 20% of the Company's core investment portfolio may be invested in the securities of companies predominantly engaged in the mining, exploration, development and production of silver and other precious metals.

Fund Facts

Structure	UCITS OEIC
Domicile	UK
Dealing	Daily
Launch Date	7 September 2009
Sector	Lipper Global Equities: Equity Sector Gold & Precious Metals
Fund Size	£2.7m

Fund Price

A Class	39.95
B Class	114.95

Availability

Wrap Platforms
Life Office Bonds



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Near Term Bear and Bull factors for Gold

Bear

- Janet Yellen has indicated that there will be three rate rises in 2017, this will put a damper on gold prices especially in the weeks before Fed meetings.
- Bond yields have rallied and that is traditionally bad for gold.
- The Trump effect on The stock market has led to a rise that will be of unknown duration which has affected and will affect The gold price.

Bull

- US Inflation is at 1.75pc, expected to rise to 2.75% which despite interest rates rising will keep us in a persistent negative real rate environment which is good for gold.
- Trump/Brexit Uncertainty will play on markets for years as the market continually adjusts to evolving new policies and unknown outcomes.
- General commodity bull market, has begun, of which gold plays a part.
- Outlook for most asset classes is negative in the coming months as they are trading at historically high multiples and the market is calling for a correction.

Performance and Activity

Fund Performance

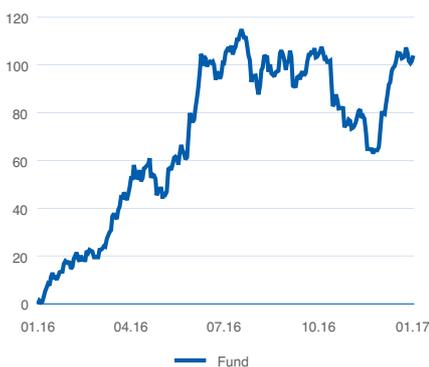
In December the fund returned 1.9% against the gold price declining 1.9 percent from \$1173/oz to \$1151/oz. Despite the precipitous drop off in gold prices, over 8pc since the US election, the fund holdings have remained stable and some have even rallied due to the underlying quality of the assets that are viable at lower gold prices.

Fund Activity

Volcanic Gold Mines Inc was added to the portfolio in December. Their property is in Guinea just below the Mali border and was acquired by Sovereign Mines of Africa who spent over £8 million developing the property. There is an existing resource base of 600,000 ounces of which 420,000 ounces 2.3g/t mostly in oxide. The property is 60km on strike from Anglo Gold's Ashanti's Siguiri Mine.

Resource expansion drilling set for January 2017, and it looks very prospective for finding between 1-5m ounces, and the gold metallurgy is of a type and grade which is economically viable for development and production. Further drilling in 2017 should help the company re-rate.

Twelve Month Performance (%)



Cumulative Performance (%)

	YTD	1m	3m	6m	1y	3y	5y
Fund	87.7	1.9	-10.8	1.6	87.7	-0.9	-71.4

Discrete 12 Month Performance (%)

	31.12.15	31.12.14	31.12.13	31.12.12	30.12.11
Fund	87.7	-28.6	-26.1	-49.3	-43.0

Source: Lipper, total return, mid to mid, excluding the effect of initial charge, income reinvested gross of UK tax, in GBP, to 31.12.16. Copyright 2016 © Lipper, a Thomson Reuters company. All rights reserved.

Important Information

Please remember if your investment falls in value you can lose money. Past performance is not a reliable indicator of future returns. If you are in any doubt as to the suitability of the investment, you should seek financial advice.

Literature

www.peterhouseam.com

Investment Manager

Peterhouse Asset Management Limited

ACD

Sharefunds Limited

Codes

A Class

ISIN

GB00B3YQ8554

SEDOL

B3YQ855

B Class

ISIN

GB00BNGMZG14

SEDOL

BNGMZG1

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